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Comptroller Instruction No. \_\_\_\_

Subject: General - Organization Mission and Responsibilities  
Specific - The Financial Analysis Staff

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1. Develop and establish an effective financial reporting system which will provide Management with adequate data on Agency activities.
  2. Prepare and issue consolidated Agency reports and statements and provide narrative material and interpretation of the data contained therein.
  3. Review, analyze and submit recommendations to the Comptroller on data contained in financial reports and statements.
  4. Advise the Comptroller regarding the form, content, frequency and manner of preparation of periodic and special reports prepared by and submitted to him.
  5. Develop and insure the compilation of data which will permit the establishment of the indices necessary for forecasting Agency financial requirements.
  6. As directed, prepare analytical reports on terminated projects.
  7. As directed, analyze the financial statements submitted by proprietary projects and submit to the Comptroller interpretations, observations and recommendations relative to the data furnished.
  8. As directed, perform a financial analysis of Agency programs for the purpose of determining sound financial management policies, methods and practices.
  9. Assist in the development of an Agency cost reporting system which will provide the data necessary to accomplish the approved program for the Improvement of Financial Management.

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10. Coordinate the preparation and issuance of financial reports prepared in the Office of the Comptroller.
11. Act as consultant to the Staffs and Divisions of the Office of the Comptroller in the establishment of accounting policy and procedures to insure the development of data adequate to meet the requirements of reports to Management.
12. Perform such other functions within the mission of the Comptroller as he may direct.

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**FINANCIAL ANALYSIS STAFF**  
**Program for 1958**

**TAB G**

1. Improve the content and format of the consolidated Agency Financial Statement for June 1958.
  - a. Part I - Appropriation for 1958 and Comparison with 1957 and 1956.
    - (1) Add estimate of activity under the 1959 appropriation to the recorded data on 1958, 1957 and 1956 appropriations.
    - (2) Break out of Logistics data obligations and expenditures pertaining to materiel procurement and segregate from Logistics and other Support Group data.
    - (3) Analyze Commo obligations and expenditures to determine whether any portion should be eliminated from Support Group total and be segregated under other categories.
  - b. Part II - Appropriations Available 1947 - 1958.
    - (1) Break down obligations by:
      - (a) Geographical Area
      - (b) Function
      - (c) Program
  - c. Part III - Financial Condition.
    - (1) Work with TAS in the development of procedures to:
      - (a) Reconcile Agency cash with budgetary account data.
      - (b) Refine TA's and Advances to Field Stations in order to separate cash from non-cash transactions.
      - (c) Develop more complete data on Real Estate and Construction for inclusion in the Agency books and set up depreciation rate schedules.
      - (d) Insure a more complete recording of items of personal property.
    - (2) Analyze data contained in Schedule 4 - Investments in Proprietary Projects.
2. Develop a series of concise and meaningful reports to Management.
  - a. Comparative report showing (\$) dollars spent on personnel and percent of total obligations and expenditures broken down by headquarters, U.S. field and overseas.

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- b. Cost of supporting Agency operational activities.
- c. Analyses of costs incurred by Support elements.
3. Analyze the financial activities of an increasing number of projects.
  - a. Analyze two projects per month for the next twelve months (one active proprietary and one terminated).
4. Develop, if possible, data for the compilation of a statistical year book as of 30 June 1958. (See Appendix I)
5. Analysis of financial statistical data already compiled in order to develop indices useful in forecasting Agency financial requirements.
  - a. Analysis of obligations and expenditure data compiled by month and cumulative for each fiscal year and development of percentage ratios which can be used to arrive at averages and to develop a series of indices for forecasting future financial activities.
6. Analyses of unobligated funds and unliquidated obligations by year by organizational component. (Special studies when appropriation lapses)
7. Initiate a program for the development of a coordinated financial reporting system.
  - a. Review in connection with the Reports Control Program reports prepared and received in order to develop a system of reports which will produce more useful data for Management.
  - b. Revision of existing reports prepared by Fiscal and Finance Divisions to eliminate the production of data no longer required.
  - c. Development of additional data and its inclusion in existing Finance and Fiscal Division reports.
8. Prepare charts on financial activities suitable for briefing Management, investigation groups or committees, new personnel and for "Support Exhibits".
  - a. Charts illustrating where the financial data comes from; how the figures get on the books of Fiscal and Finance Divisions and how consolidated in the preparation of the monthly reports; what FAS will do with the data and how it becomes a part of the Agency Financial Statement; who gets the Statement and how it can be used by Agency officials receiving the document.

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**CONFIDENTIAL****APPENDIX I****Items for Inclusion in Proposed Statistical Year Book**

1. Chart and tables on size of CIA Appropriation 1947 to date.
2. Chart and tables on obligations 1947 to date by organizational component.
3. Chart and tables on expenditures 1947 to date by organizational component.
4. Comparison between obligational authority and expenditures 1947 to date by component.
5. Growth of CIA personnel by number and dollars spent on personnel 1947 to date.  
Average salary of persons on duty 1947 to date.  
Personal services expenditures for personnel on duty by year 1947 to date by component.  
Percentage distribution of personnel on duty, headquarters, field and overseas total and by components by year 1947 to date.  
Percentage distribution of dollars for personnel on duty, headquarters, field and overseas total and by component by year 1947 to date.
6. Number of Comptroller personnel and dollar expenditures by year 1947 to date.
7. Number of field stations serviced by Finance Division by year 1947 to date.
8. Number of Finance Division personnel overseas by area by year 1947 to date.
9. Number of field stations with Finance Division personnel by year 1947 to date.
10. Average balance of funds on hand by field stations by year 1947 to date.
11. Average disbursements by field stations by year 1947 to date.
12. Dollar value of station inventory by category by station, changes in inventory by type, stockpile and requirements by year.
13. Support Group costs by fiscal year 1947 to date.
14. Percent of support cost to total Agency cost.
15. Average number of support personnel to each operational person.
16. Comparative Agency financial statements 1953 to date.
17. Analyses of changes in items in financial statement by fiscal year.
18. Percentage use of vouchered versus unvouchered 1947 to date.
19. Distribution of obligations and expenditures by geographical area (ultimately costs by geographical area).

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20. Dollars spent by geographical area compared with the estimated amounts spent by Russia, the Satellites, Great Britain, France, Japan, China.
21. Status of resources as of end each fiscal year 1947 to date.
22. Trends on use of resources.
23. Forecasts on use of resources based on trends on past operations.
24. Variances between plans and actual by component and by geographical area.
25. Monthly summary of performance.

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12 SEP 1957

**MEMORANDUM FOR: Deputy Director (Support)****SUBJECT : Program Analysis - Proposed memo for DCI from SA/PC/DCI**

1. This memorandum contains a recommendation for action in paragraph 5 in connection with the recommendations of the Special Assistant to the Director for Planning and Coordination.

2. Originally, it was the feeling of the Comptroller that Program Analysis could be performed by the Comptroller. To accomplish this, detailed operational data by project would have to be furnished. These data have not been made available to us for activities in OD/P area. Therefore, we have had to rely on financial data to measure the value of program progress and analyze actual as against the scheduled use of money without being able to measure the success or failure of the operation as compared with the money spent.

3. We believe that the final step in Program Analysis should be performed by a group completely divorced from operational components. Under the existing organizational setup, such a group can perform effectively only when a part of the Director's Office. The PRC can be said to fall within this category. On the other hand, we do not believe that this high powered group has the time to make the detailed review required in order to perform an effective Program Analysis. The attached paper indicates that the SA/PC/DCI will analyze the data submitted to the PRC. However, as now constituted, it is doubtful that the Staff attached to the SA/PC/DCI could accomplish much more than the limited analysis now being performed by PRC.

4. We firmly believe that, to be effective, Program Analysis should be performed by a special staff headed by a highly qualified analyst and supported by a sufficient number of full time high grade analysts. The present proposal does not establish immediately such a staff. We do not disagree with the proposal made although we believe, in order to be effective, it will be necessary to establish eventually a full time highly qualified staff of analysts.

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5. We believe that establishment of Program Analysis at the Director's level is good and recommend that you concur in the proposal since it is a step in the right direction.

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**E. D. SAUNDERS**  
**Comptroller**

*Jelly*  
Compt/PAS/FAG:amm (11 September 1957)

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